

ND PUBLIC EMPLOYEES RETIREMENT SYSTEM
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2007

	August-07				July-07				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Month	Market Value	Allocation	Policy	Month	Fiscal YTD	FY07	Ended	Ended
		Actual		Net ROR		Actual		Net ROR	Net ROR	Net ROR	6/30/2007	6/30/2007
											Net ROR	Net ROR
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
LA Capital	75,186,798	3.9%	4.1%	1.14%	75,183,401	3.9%	4.1%	-3.21%	-2.10%	21.75%	13.79%	N/A
Total Structured Growth	75,186,798	3.9%	4.1%	1.14%	75,183,401	3.9%	4.1%	-3.21%	-2.10%	21.75%	13.79%	11.59%
<i>Russell 1000 Growth</i>				1.59%				-1.55%	0.02%	19.04%	8.70%	9.28%
<i>Structured Value</i>												
LSV	85,938,629	4.5%	4.5%	1.16%	84,928,890	4.4%	4.5%	-4.79%	-3.69%	23.29%	19.11%	16.46%
<i>Russell 1000 Value</i>				1.12%				-4.62%	-3.56%	21.87%	15.93%	13.31%
<i>Enhanced Russell 1000 Index</i>												
LA Capital	79,466,679	4.2%	4.2%	0.85%	78,789,555	4.1%	4.2%	-3.82%	-3.00%	20.43%	13.31%	11.77%
<i>Russell 1000</i>				1.36%				-3.09%	-1.77%	20.43%	12.34%	11.33%
<i>Enhanced S&P 500 Index</i>												
Northern Trust	72,582,389	3.8%	3.9%	1.55%	71,461,720	3.7%	3.9%	-3.90%	-2.42%	19.26%	11.40%	10.53%
Westridge	94,361,217	4.9%	3.9%	1.54%	92,968,931	4.9%	3.9%	-1.62%	-0.10%	21.05%	12.00%	11.00%
Wells Capital	61,187,871	3.2%	3.0%	1.81%	60,003,054	3.1%	3.0%	-4.75%	-3.02%	30.71%	N/A	N/A
Franklin	54,175,773	2.8%	3.0%	1.74%	53,217,267	2.8%	3.0%	-4.38%	-2.73%	N/A	N/A	N/A
Total Enhanced S&P 500 Index	282,307,249	12.0%	13.8%	1.64%	277,650,972	11.7%	13.8%	-3.43%	-1.85%	21.56%	11.94%	11.24%
<i>S&P 500</i>				1.50%				-3.10%	-1.65%	20.59%	11.68%	10.71%
<i>Absolute Return Strategy</i>												
Epoch	15,126,983	0.8%	1.4%	0.92%	15,003,811	0.8%	1.4%	N/A	N/A	N/A	N/A	N/A
<i>S&P 500</i>				1.50%				-3.10%	-1.65%			
<i>S&P 500 Index</i>												
State Street	37,477,956	2.0%	2.1%	0.81%	37,153,367	1.9%	2.1%	-4.08%	-3.31%	21.86%	12.41%	11.15%
<i>S&P 500</i>				1.50%				-3.10%	-1.65%	20.59%	11.68%	10.71%
TOTAL LARGE CAP DOMESTIC EQUITY	575,504,294	30.2%	30.0%	1.30%	568,709,996	29.7%	30.0%	-3.70%	-2.45%	21.66%	13.61%	12.15%
<i>S&P 500</i>				1.50%				-3.10%	-1.65%	20.59%	11.68%	10.71%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
SEI	126,649,547	6.6%	7.2%	0.89%	132,726,491	6.9%	7.2%	-7.14%	-6.31%	17.13%	13.31%	14.32%
<i>Russell 2000 + 200bp</i>				2.43%				-6.67%	-4.40%	18.76%	15.72%	16.16%
Callan	55,325,984	2.9%	2.8%	1.46%	54,476,805	2.8%	2.8%	-5.30%	-3.91%	21.00%	N/A	N/A
<i>Russell 2000</i>				2.27%				-6.84%	-4.73%	16.44%		
TOTAL SMALL CAP DOMESTIC EQUITY	181,975,531	9.5%	10.0%	1.06%	187,203,296	9.8%	10.0%	-6.60%	-5.62%	17.89%	13.50%	14.44%
<i>Russell 2000</i>				2.27%				-6.84%	-4.73%	16.44%	13.45%	13.88%
INTERNATIONAL EQUITY												
<i>Large Cap - Core</i>												
State Street	18,701,996	1.0%	1.0%	-2.31%	19,121,452	1.0%	1.0%	-1.25%	-3.52%	27.82%	20.73%	15.09%
<i>MSCI EAFE (1)</i>				-1.56%				-1.47%	-3.01%	27.00%	20.77%	14.70%
<i>Large Cap - Active</i>												
Capital Guardian	56,570,301	3.0%	3.0%	-2.56%	58,077,963	3.0%	3.0%	-1.97%	-4.47%	26.04%	21.52%	14.83%
LSV	56,109,254	2.9%	3.0%	-2.87%	57,728,755	3.0%	3.0%	-1.92%	-4.74%	29.94%	N/A	N/A
Bank of Ireland	18,635,751	1.0%	1.0%	-3.69%	19,331,546	1.0%	1.0%	-1.49%	-5.12%	25.29%	19.70%	13.72%
Total Large Cap - Active	131,315,306	6.9%	7.0%	-2.85%	135,138,264	7.1%	7.0%	-1.88%	-4.68%	27.58%	22.64%	15.45%
<i>MSCI EAFE - 50% Hedged</i>				-1.40%				-2.31%	-3.68%	26.94%	22.55%	15.71%
<i>Small Cap - Active</i>												
Lazard	17,959,948	0.9%	1.0%	-5.06%	18,923,320	1.0%	1.0%	0.24%	-4.83%	24.18%	22.99%	21.28%
Wellington	18,632,480	1.0%	1.0%	-5.17%	19,664,824	1.0%	1.0%	0.13%	-5.05%	26.62%	20.49%	21.40%
Total Small Cap - Active	36,592,428	1.9%	2.0%	-5.12%	38,588,145	2.0%	2.0%	0.18%	-4.94%	25.39%	21.75%	21.34%
<i>Citigroup Broad Market Index < \$2BN</i>				4.60%				1.20%	5.86%	28.60%	26.33%	25.39%
TOTAL INTERNATIONAL EQUITY	186,609,731	9.8%	10.0%	-3.25%	192,847,861	10.1%	10.0%	-1.41%	-4.62%	27.21%	22.14%	16.66%
<i>MSCI EAFE - 50% Hedged</i>				-1.40%				-2.31%	-3.68%	26.94%	22.55%	15.71%
EMERGING MARKETS EQUITY												
<i>Core</i>												
JP Morgan	19,824,401	1.0%	0.9%	-0.55%	19,964,811	1.0%	0.9%	2.34%	1.78%	46.07%	N/A	N/A
PanAgora	19,465,774	1.0%	0.9%	-2.48%	19,947,870	1.0%	0.9%	6.13%	3.51%	46.34%	N/A	N/A
WestLB	19,289,348	1.0%	0.9%	-4.16%	20,077,106	1.0%	0.9%	6.60%	2.16%	42.11%	N/A	N/A
UBS	33,988,366	1.8%	1.5%	-0.70%	34,204,339	1.8%	1.5%	3.44%	2.71%	42.04%	N/A	N/A
Total Core	92,567,889	4.9%	4.1%	-1.78%	94,194,125	4.9%	4.1%	4.42%	2.56%	43.90%	37.74%	29.07%
<i>MSCI Emerging Markets</i>				-2.09%				5.33%	3.12%	45.45%	38.67%	21.67%
<i>Small Cap</i>												
DFA	21,395,212	1.1%	1.0%	-4.23%	22,325,438	1.2%	1.0%	4.80%	0.36%	68.14%	N/A	N/A
<i>MSCI Emerging Markets</i>				-2.09%				5.33%	3.12%	45.45%		
<i>Private Equity</i>												
Capital International	863,801	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<i>MSCI Emerging Markets</i>												
TOTAL EMERGING MARKETS EQUITY	114,826,902	6.0%	5.0%	-2.25%	116,519,563	6.1%	5.0%	4.49%	2.14%	48.23%	38.70%	29.61%
<i>MSCI Emerging Markets</i>				-2.09%				5.33%	3.12%	45.45%	38.67%	30.66%
DOMESTIC FIXED INCOME												
<i>Core Bond</i>												
Western Asset	51,333,811	2.7%	2.6%	0.48%	50,884,255	2.7%	2.6%	0.35%	0.84%	7.00%	4.29%	5.59%
<i>Lehman Aggregate</i>				1.23%				0.83%	2.07%	6.12%	3.98%	4.48%
<i>Index</i>												
Bank of ND	92,864,803	4.9%	6.0%	1.42%	91,242,063	4.8%	6.0%	1.07%	2.52%	5.69%	3.78%	4.49%
Total Index	92,864,803	4.9%	6.0%	1.42%	91,242,063	4.8%	6.0%	1.07%	2.52%	5.69%	3.92%	4.50%
<i>Lehman Gov/Credit</i>				1.28%				1.00%	2.29%	6.00%	3.84%	4.69%
<i>Convertibles</i>												
Calamos (2)	53,160,626	2.8%	2.6%	1.81%	52,157,242	2.7%	2.6%	-2.22%	-0.45%	N/A	N/A	N/A
Total Convertibles	53,160,626	2.8%	2.6%	1.81%	52,157,242	2.7%	2.6%	-2.22%	-0.45%	12.55%	5.57%	3.31%
<i>Merrill Lynch All Convertibles (3)</i>				-0.12%				-2.40%	-2.51%	15.38%	8.30%	10.89%
<i>BBB Average Quality</i>												
Wells Capital	51,207,913	2.7%	2.6%	1.01%	50,490,271	2.6%	2.6%	-0.14%	0.87%	9.12%	5.96%	6.71%
<i>Lehman BBB</i>				1.06%				-0.06%	1.00%	7.54%	4.47%	6.43%

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	August-07				July-07				Current	Prior Year	3 Years	5 Years
	Allocation			Month	Allocation			Month	Fiscal YTD	FY07	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2007	6/30/2007
											Net ROR	Net ROR
Private Debt												
Prudential	52,064,995	2.7%	2.6%	1.13%	51,299,087	2.7%	2.6%	0.62%	1.76%	7.16%	N/A	N/A
Lehman Aggregate				1.23%				0.83%	2.07%	6.12%		
Timberland												
TIR - Teredo (4)	40,282,961	2.1%	2.1%	-0.06%	40,149,613	2.1%	2.1%	-0.06%	-0.12%	26.95%	12.73%	12.23%
TIR - Springbank	85,271,445	4.5%	4.5%	-0.02%	85,003,981	4.4%	4.4%	-0.02%	-0.05%	26.90%	N/A	N/A
Total Timberland	125,554,406	6.6%	6.6%	-0.03%	125,153,594	6.5%	6.5%	-0.04%	-0.07%	27.33%	26.21%	20.09%
NCREIF Timberland Index				0.76%				0.76%	1.53%	11.89%	15.17%	11.37%
Infrastructure												
JP Morgan	21,103,570	1.1%	1.1%	-0.07%	21,032,780	1.1%	1.1%	-1.03%	-1.11%	N/A	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	447,290,125	23.5%	24.0%	0.80%	442,259,293	23.1%	24.0%	0.03%	0.82%	12.52%	11.43%	10.17%
Lehman Aggregate				1.23%				0.83%	2.07%	6.12%	3.98%	4.48%
HIGH YIELD BONDS												
Core												
Loomis Sayles	45,859,033	2.4%	2.4%	1.44%	45,487,181	2.4%	2.4%	-3.40%	-2.01%	13.37%	11.25%	N/A
Sutter/Wells Capital	43,417,622	2.3%	2.4%	1.44%	45,558,970	2.4%	2.4%	-7.54%	-6.21%	9.82%	8.02%	N/A
Total Core	89,276,655	4.7%	4.7%	1.44%	91,046,151	4.8%	4.7%	-5.44%	-4.08%	11.59%	9.63%	5.67%
LB High Yield 2% Issuer Constrained Index				1.49%				-3.48%	-2.04%	11.22%	8.70%	N/A
Mezzanine Debt												
Goldman Sachs	2,072,853	0.1%	0.1%	-0.14%	2,221,766	0.1%	0.1%	-0.14%	-0.29%	7.39%	N/A	N/A
TCW	3,323,854	0.2%	0.2%	0.00%	3,323,854	0.2%	0.2%	N/A	N/A	N/A	N/A	N/A
Total Mezzanine Debt	5,396,706	0.3%	0.3%	-0.14%	5,545,620	0.3%	0.3%	-0.14%	-0.29%	7.39%	N/A	N/A
LB High Yield 2% Issuer Constrained Index				1.49%				-3.48%	-2.04%	11.22%		
TOTAL HIGH YIELD BONDS	94,673,361	5.0%	5.0%	1.36%	96,591,771	5.0%	5.0%	-5.37%	-4.08%	11.62%	9.64%	11.24%
LB High Yield 2% Issuer Constrained Index				1.49%				-3.48%	-2.04%	11.22%	8.77%	11.75%
INTERNATIONAL FIXED INCOME												
International Sovereign												
UBS Global (Brinson)	43,027,246	2.3%	2.5%	1.16%	42,553,770	2.2%	2.5%	3.18%	4.39%	0.21%	2.69%	6.66%
Citigroup Non-US Gov't Bond Index (5)				1.64%				3.31%	5.00%	2.22%	3.23%	6.89%
International Core												
Brandywine	43,824,188	2.3%	2.5%	-0.48%	44,119,438	2.3%	2.5%	1.59%	1.09%	6.63%	7.38%	N/A
Lehman Global Aggregate (ex-US)				1.21%				2.79%	4.03%	3.78%	5.22%	N/A
TOTAL INTERNATIONAL FIXED INCOME	86,851,434	4.6%	5.0%	0.33%	86,673,208	4.5%	5.0%	2.36%	2.70%	3.41%	5.03%	8.23%
Citigroup Non-US Gov't Bond Index (5)				1.64%				3.31%	5.00%	2.22%	3.27%	6.92%
REAL ESTATE												
INVESCO	50,053,170			-0.04%	50,053,235			-0.04%	-0.08%	14.44%	20.09%	14.86%
J.P. Morgan Strategic & Special Funds	52,304,334			0.77%	51,860,631			-0.09%	0.68%	19.72%	20.09%	15.71%
J.P. Morgan Alternative Property Fund	12,210,061			-0.33%	12,210,061			-0.33%	-0.66%	6.70%	N/A	N/A
TOTAL REAL ESTATE	114,567,565	6.0%	5.0%	0.30%	114,123,927	6.0%	5.0%	-0.09%	0.20%	15.47%	19.41%	14.88%
NCREIF TOTAL INDEX				1.51%				1.51%	3.04%	17.24%	17.83%	14.30%
ALTERNATIVE INVESTMENTS												
Brinson IVCF II	79,860			0.00%	99,987			0.00%	0.00%	31.73%	17.69%	12.50%
Coral Partners II	99,987			0.00%	79,860			0.00%	0.00%	-0.22%	1.54%	5.72%
Coral Partners V	3,314,078			0.00%	3,354,924			0.00%	0.00%	-1.78%	-4.71%	-14.30%
Coral Partners V - Supplemental	473,895			0.00%	475,305			0.00%	0.00%	8.49%	3.75%	0.86%
Coral Momentum Fund (Formerly Fund VI)	9,376,935			0.00%	11,278,242			0.00%	0.00%	-16.26%	-8.10%	N/A
Brinson 1998 Partnership Fund	772,286			0.00%	772,014			0.00%	0.00%	31.02%	22.24%	11.25%
Brinson 1999 Partnership Fund	1,958,319			0.00%	1,957,631			0.00%	0.00%	19.95%	14.43%	7.53%
Brinson 2000 Partnership Fund	5,381,535			0.00%	5,379,645			0.00%	0.00%	13.52%	18.72%	9.86%
Brinson 2001 Partnership Fund	4,483,424			0.00%	4,481,848			0.00%	0.00%	15.81%	13.02%	7.67%
Brinson 2002 Partnership Fund	2,521,010			0.00%	2,520,124			0.00%	0.00%	11.10%	12.11%	11.95%
Brinson 2003 Partnership Fund	787,439			0.00%	848,890			0.00%	0.00%	34.38%	19.70%	N/A
Total Brinson Partnership Funds	15,904,012			0.00%	15,960,152			0.00%	0.00%	16.34%	16.34%	10.08%
Brinson 1999 Non-US Partnership Fund	799,903			0.00%	1,039,712			0.00%	0.00%	111.26%	57.67%	39.95%
Brinson 2000 Non-US Partnership Fund	1,880,778			0.00%	2,032,991			0.00%	0.00%	55.10%	34.26%	25.05%
Brinson 2001 Non-US Partnership Fund	1,553,628			0.00%	1,553,082			0.00%	0.00%	7.81%	14.42%	11.71%
Brinson 2002 Non-US Partnership Fund	3,004,549			0.00%	3,131,170			0.00%	0.00%	88.98%	43.24%	29.72%
Brinson 2003 Non-US Partnership Fund	2,324,373			0.00%	2,752,293			0.00%	0.00%	76.59%	33.38%	N/A
Brinson 2004 Non-US Partnership Fund	902,524			0.00%	1,037,421			0.00%	0.00%	23.98%	15.75%	N/A
Total Brinson Non-US Partnership Fund	10,465,754			0.00%	11,546,668			0.00%	0.00%	62.33%	35.68%	25.84%
Brinson BVCF IV	8,666,994			0.00%	9,347,324			0.00%	0.00%	-3.23%	10.47%	6.87%
Adams Street Direct Co-investment Fund	4,635,437			0.00%	4,633,808			0.00%	0.00%	N/A	N/A	N/A
Matlin Patterson Global Opportunities	2,181,084			0.00%	7,174,144			0.00%	0.00%	10.95%	25.72%	N/A
Matlin Patterson Global Opportunities II	15,620,158			0.00%	15,517,737			0.00%	0.00%	37.09%	N/A	N/A
Matlin Patterson Global Opportunities III	1,836,879			0.00%	393,491			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	2,693,338			0.00%	2,692,392			0.00%	0.00%	13.96%	-2.58%	-5.68%
Hearstone MSII	0			0.00%	0			0.00%	0.00%	-95.85%	-100.00%	-100.00%
Hearstone MSIII	1,447,904			0.00%	1,447,395			0.00%	0.00%	208.65%	79.05%	N/A
Corsair III	1,784,932			0.00%	1,959,815			0.00%	0.00%	N/A	N/A	N/A
Quantum Resources	1,777,176			0.00%	1,942,834			0.00%	0.00%	N/A	N/A	N/A
Quantum Energy Partners	408,031			0.00%	446,868			0.00%	0.00%	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (6)	80,766,453	4.2%	5.0%	0.00%	88,350,948	4.6%	5.0%	0.00%	0.00%	16.83%	15.02%	7.25%
CASH EQUIVALENTS												
Northern Trust STIF/STEP	23,770,229	1.2%	1.0%	-0.25%	20,324,815	1.1%	1.0%	0.33%	0.08%	5.25%	3.91%	3.00%
90 Day T-Bill				0.56%				0.39%	0.95%	5.21%	3.78%	2.76%
TOTAL FUND	1,906,835,625	100.0%	100.0%	0.31%	1,913,604,679	100.0%	100.0%	-1.86%	-1.56%	18.95%	14.97%	13.33%
POLICY TARGET BENCHMARK				0.96%				-1.31%	-0.36%	16.45%	12.29%	11.20%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.

(3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.

(4) Prior to June 1, 2006, the Toledo properties were under the management of RMK.

(5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.